



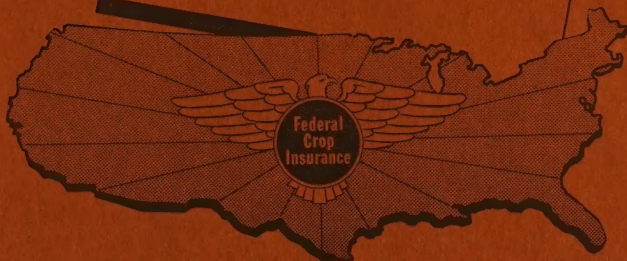
FEDERAL CROP INSURANCE IS
GOOD BUSINESS FOR THE FARMER
AND FOR THE NATION.

YOU RENDER A SERVICE TO BOTH
WHEN YOU GET THE FARMER TO PRO-
TECT HIS INVESTMENT AGAINST UN-
AVOIDABLE RISKS.

YOU WILL CONTRIBUTE TO THE
SUCCESS OF YOUR COUNTY CROP IN-
SURANCE PROGRAM TO THE EXTENT
THAT YOU INCREASE UNDERSTANDING
OF IT AND ACTUAL PARTICIPATION IN IT.

Charles F. Brannan

SECRETARY OF AGRICULTURE



BEAN SALES HANDBOOK

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
OCTOBER 1950

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YOU RENDER A VALUABLE SERVICE



Federal Crop Insurance fills a basic need. It protects the money and labor that the producer invests in crop production against loss from causes beyond his control.

You perform a valuable service each time you persuade a producer to sign an application for a Crop Insurance policy. Your contribution to the success of the County Crop Insurance Program will be the number of producers whose crop investments are protected due to your efforts. You should urge every producer to invest in this protection for it is an investment in security. The dollar spent for crop insurance is the most important dollar that the producer invests in his operating costs because it protects the others.

Federal Crop Insurance is the only protection of its kind available to farmers. It is backed by the Federal Government in order to meet a need that has existed and been recognized since farming began. Through it, the producer can add a basic principle of good business -- protection of the investment to his operations. It provides protection comparable to that which has long been available to businessmen through private companies and is considered an essential part of business operations.

The service that you render goes beyond the producer and his family. Crop Insurance not only protects the well-being of the farm family, but

cushions the impact of crop failure on the local business community, the stability of the Nation's agriculture and the national economy.

YOU CAN DO A GOOD JOB

There are very few farmers, or people who work with farmers, that cannot do a successful job of explaining crop insurance and obtaining signed applications from many of those contacted. If you sincerely want to do a good job and are willing to put forth the effort necessary, you will get good results.

A good job of farming or anything requires work and usually some extra effort at the start to get the job under way properly. Selling Crop Insurance is no exception to the general rule and the good workers stand out just as prominently as in farming or anything else. Start out with the idea of getting signatures early. Almost without exception counties fail to do a good job when they put off sales contacts until near the closing date. Past experience shows that outstanding salesmen were those who started making their sales contacts early.

KNOW THE PROGRAM



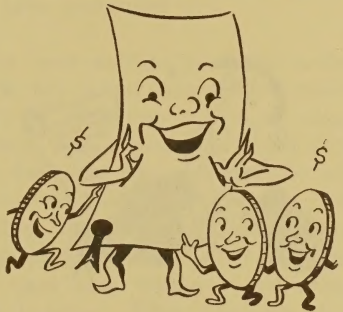
Crop Insurance is an easy program to explain as you will learn by reading through this Handbook. You need to know the answers to questions about the provisions of the policy that producers may ask.

When you understand crop insurance, there is no doubt that it is a sound business proposition for every farmer. When you give the farmer this same understanding, he will want its protection. Most criticism of the program is due to lack of understanding. Answer such criticism with the correct information.

As you read through your Handbook underline all the points that the prospect should know. Then go through the Handbook a second time and put a double underline under those points that you need to explain to the producer after he signs, such as reporting a loss, etc.

THE POLICY PROVIDES PROTECTION

A Crop Insurance policy provides protection of the crop investment with the farmer paying a premium for this protection against the unknown -- against what can happen to any crop any year that crop disaster strikes.



Crop disaster can strike any farm. It may not but it can. Like other insurance, Crop Insurance protects against what might happen. It is a program of protection and the individual who considers it in terms of his chances of collection does not understand the purpose of insurance.

You should recognize when you start that some people will not sign an application the first time

that you explain the program to them. They want to think it over. Get back and see these people soon and give them a little more encouragement toward making a sound investment in security -- spending the most important dollar that they can put into their operating expenses. Many of these you will actually have sold the first time and just need to go back and get their signatures. Leave every prospect with the realization that you know that every year many farmers suffer crop failures for the first time, so you naturally regard it as good business to protect the crop investment every year.

UNDERSTANDING IS ESSENTIAL



You should not expect prospects to sign applications until you have fully explained the program so that they have a clear understanding of what it offers them. Your success will not depend upon any special selling techniques, but simply upon how well your prospects understand

the opportunity that you have to offer them and how many prospects you contact.

It is the wrong approach in making a sales contact to ask a prospect whether he is interested in crop insurance. It isn't a fair question. People aren't interested in something that costs them money unless they understand its value. The first

statement you make to the prospect should be one that will assure you the opportunity to explain Crop Investment Protection. Otherwise you may not have a chance to make a sales contact.

Get the prospect to recognize and agree that crop production requires a substantial investment of money and labor....that it would be good to know this investment was safe even though Mother Nature failed to provide the expected profit....that insurance is protection against what might happen.

With insurance you lock the barn door before the horse is stolen.... Ever notice that the first question people ask when a friend's house is destroyed by fire is "was it insured" ... Did you ever hear the fellow who lost his house by fire praised for his good business sense in saving the premiums that would have protected it?

The farmer who has a loss and no protection has gambled and lost. He has taken unnecessary risks with his investment by choosing to stand alone against the elements. Businessmen learned long ago that it was wise for them to join together and spread the cost of unavoidable losses among them through insurance. They learned through experience that losses can and do happen and that none of them could be sure that they wouldn't be among those who suffered losses. They learned that whether they thought that the risk was large or small that the sound business way to operate was to protect their investment through insurance whenever they could. They consider their insurance premiums as a necessary part of their business operations.

Get the prospect who hesitates about signing to look at the effect of a possible crop failure in

terms of the cold dollar-and-cents effect on the bank account, loan, standard of living, school or retirement plans, etc... Whether he has much or little it's worth protecting on a business basis or he wouldn't invest it in an effort to make more.

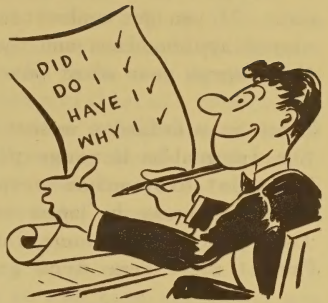
The important opening step in bringing a farmer into the county program is to get him to understand, as you do, that insuring the crop investment is a sound business proposition. Then, you are ready to show him how Crop Insurance works out on his farming operations. You will have given him a clear understanding of crop insurance as protection that should be carried every year. Your County Crop Insurance business is more than just so many dollars of protection. It fills a basic need. These facts should be easily understood by those who realize that farming is a business and have enough practical experience to know that man can hope but can't be sure what the harvest will bring.

Don't leave a prospect without urging him to sign an application. You do him a favor if he signs so you have good reason to make an aggressive effort to get him to become a policyholder in your county crop insurance business.

HOW ONE AGENT SELLS

The agent who sold the most crop insurance in 1950 was a young Alabama farmer who used his own protection to show other farmers what crop insurance is and its importance in his own farming operation. He got them sold on the basic purpose and value of crop insurance by showing and explaining how it provided him needed protection. Give some thought to his approach. Put your own protection down on

paper, explain to yourself the important job it does for you and how important it could be if crop disaster struck. This approach enabled the agent to get understanding and agreement on the value of crop insurance before his prospect's premium could influence his understanding.



You aren't selling a coverage and a premium. You are selling protection. Then, you figure what his protection and premium will be.

A COUNTY BUSINESS

The program in effect operates as a county mutual so that farmers can build their own crop insurance business. It is expected that over a period of years premiums will cover the losses paid under the county program. Actual county experience over the years will determine the cost of the protection. At the same time the county crop insurance business is being built, the Federal Government stands behind each policy so that if widespread crop disaster results in losses in excess of accumulated county premium reserves, all indemnities will be paid off in full.

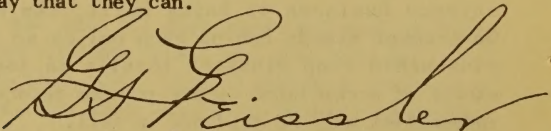
The quality of the sales work is a major factor in building a successful crop Insurance business in your county. Few problems arise in servicing

policies when farmers understand their protection. Never forget that you do every producer a favor if you give him understanding whether he signs or not. If you get understanding you will get many signed applications and those you sell will be in the program year after year.

There is a definite amount of protection based on the insurable acreage planted by the farmer. Don't let him confuse crop investment protection with the income he hopes to have this year or had last year. Insurance isn't a profit program. Profit must come from good crops and prices.

Insurance will keep him from losing the money that he invests to make a profit. Sell investment protection on its own merits. Don't hesitate to let the prospect know very clearly that there are many things the policy won't do but that it will do its job of investment protection on a sound business basis.

The following pages contain an explanation of the major program provisions. Study these and get the answers from the county office on any points that you do not understand or questions that prospects ask for which you do not have a good answer. Discuss any problems that you have with them. They'll be glad to have your suggestions for increasing participation and want to help you in every way that they can.

A large, stylized handwritten signature in dark ink, appearing to read 'G. F. Geissler', is written over the typed name.

G. F. Geissler, Manager
Federal Crop Insurance Corporation

PROVISIONS OF THE BEAN CROP INSURANCE PROGRAM

PROTECTION PROVIDED A Federal Crop Insurance policy protects the producer's investment in the bean crop against unavoidable loss from essentially all production hazards. It covers loss of production of beans due to causes such as drought, flood, hail, wind, frost, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation and plant disease.

The protection begins at the time the beans are planted and continues until harvest.

It is protection against the production risks that man cannot control. It does not, of course, cover losses resulting from avoidable causes such as neglect or poor farming practices.

WHO MAY INSURE A landlord, owner-operator, or tenant may file an application to insure his interest in the bean crop. When the application is accepted a Federal Crop Insurance policy will be mailed the producer. Each individual must apply for insurance in order for his share in the crop to be insured.

Generally only one application from a person is necessary. An application signed in an individual capacity will also cover the applicant's interest as a co-owner and as a joint-operator. In these cases each interested person should file a separate application. However, in the case of a person who desires insurance on farms operated by him in an individual capacity and also on farms operated by him in a representative or fiduciary capacity (agent, administrator, executor, guardian, etc.)

or on other farms operated by a partnership in which he is a partner, separate applications must be filed.

CLASS(ES) OF BEANS INSURED The class(es) of beans to be insured in the county are shown on the actuarial table. Familiarize yourself with the classes of beans insured in your county.

ACREAGE INSURED The policy will cover all insurable acreage in the county in which the insured has an interest in the crop at the time of planting. Only acreage for which a coverage and rate have been established is insurable.

Even though a coverage and rate have been established, there will be no insurance on (1) any acreage planted to beans which is destroyed or substantially destroyed before it is too late to replant and is not replanted, (2) any acreage planted to beans too late to expect to produce a normal crop, (3) beans planted on irrigated land the first year after being leveled or the first year of irrigation and (4) new ground acreage.

INSURANCE UNITS While one policy covers all of the insured's farming operations in the county, whether he has one farm or several farms, losses are settled separately on each insurance unit. In determining the acreage which constitutes an insurance unit, it is necessary to consider producers in three groups -- owner-operator, landlord or share tenant.

Land rented for cash or for a fixed commodity payment is considered as owned by the lessee. Here is the way to determine insurance units.

- (1) *For an owner-operator*, all insurable acreage in which he has 100 percent interest in the crop is one insurance unit. (An applicant could have only one unit of this type.)
- (2) *For a landlord*, all insurable acreage owned by him and rented to one share tenant is one insurance unit. (A landlord would have as many units of this type as he has share tenants.)
- (3) *For a share tenant*, all insurable acreage owned by one person and operated by the share tenant is one insurance unit. (A share tenant would have as many units of this type as he has landlords.)

Find out the producer's intended farming operations so that you can determine how many insurance units he has and can explain his coverage for each.

AMOUNT OF COVERAGE The county office will furnish you lists or maps from which this information can be obtained. Insofar as possible you should know the three stages of coverage for the prospect's farm before you begin your talk with him so that you can be specific regarding the protection available to him without allowing your presentation to suffer a cooling off period while you are looking it up.

In determining the insurance units for his operation, you have also learned the number of acres of beans he intends to plant and his interest in the crop. Work out the coverage for each insurance unit. The maximum protection for an insurance unit will be the coverage per acre (third stage) multiplied by the number of acres to be planted and by the interest in the crop.

Point out to him how his coverage increases in three progressive stages as his investment in the crop increases. The three stages are:

First stage - Acreage released and not pulled or cut.

Second stage - Acreage released after being pulled or cut, but before threshing.

Third stage - Acreage threshed.

The stage of production reached by the beans for any acreage determines the coverage applicable to such acreage.

Remember, Federal Crop Insurance protects all or a major part of the investment -- it insures production costs, not profit. Protecting what is invested is good business.

PREMIUM Federal Crop Insurance is actually available to producers at less than cost since the administrative expenses of operating the program are provided by Congress to make it possible for farmers to have this needed protection which is not otherwise available to them. Premiums are used only to pay losses to insured producers.

All premiums paid by county farmers which are in excess of losses paid in the county are credited to the county and favorable experience over a period of years will lower the cost of this all-risk protection. By incorporating the experience in the county in the premium rates periodically, the actual operation of the program in the county determines the rate.

Figure out your prospect's premium on the basis of his intended acreage. The premium is determined by multiplying (a) the insured acreage, by (b) his interest in the crop, by (c) the premium rate.



(1) A 5 percent discount will be allowed the insured provided he files his acreage report and pays his premium not later than July 15. If the insured does not take advantage of the 5 percent discount, he is expected to pay his premium not later than the completion of harvest.

(2) The insured may, through *continuous participation*, receive a 25 percent reduction in premium for good experience when (1) he has had seven consecutive insured bean crops (preceding the current crop year) without a loss for which an indemnity was paid, or (2) his accumulated balance of premiums over indemnities for consecutively insured crops including the current crop year exceeds his maximum coverage. That's why it's very important that the insured keep his policy in force every year. He collects an indemnity when crop failure strikes and he gets the cost of his protection reduced if crop failures miss him.

(3) A minimum reserve requirement is established for the county and when the county reserve exceeds this requirement, the surplus will be returned to county producers who were policyholders the previous year through an adjustment in premium in direct proportion to the amount of surplus, ranging from a minimum adjustment of 5 percent to a maximum adjustment of 30 percent in any year. Farmers insured under the county program benefit as a group and individually from good loss experience.

The crop insurance premium is deductible as a farm operating expense on a farmer's income tax return. You may want to stress this point to some producers as it will reduce the net cost of this protection by the percent of his income tax bracket. For some people this will mean a substantial saving. Show him how much this might affect the actual cost to him.

LOSSES



An indemnity is payable if the value of the total production of all insurable classes of beans for an insurance unit is less than the total coverage. A check will be issued to the insured promptly after the loss claim is approved. Production will be valued at the prices listed in the actuarial Table. *These prices must be pointed out to the*

producer because they will be the prices used at the time of loss adjustment. The prices vary according to the grade or pick and follow very closely the marketing practices in the county. Protection against loss of quality is thus included in the contract. The net weight of the beans (weight after cleaning, screening and moisture deductions) will be multiplied by the applicable price to establish the value of production. The amount of loss for an insurance unit is determined by multiplying the insured acreage by the coverage per acre and subtracting the value of the total production. The insured's indemnity is determined by multiplying the loss for the insurance unit by his interest in the crop.

In determining total production, the actual production of all insurable classes of beans harvested is counted. For acreage released in the first or second stages the production has to be appraised. However, all of this appraisal is not counted and quite frequently none of it is counted because of the allowance established. Only that portion of the appraisal in excess of the allowance is counted as production. In general the allowance for either the first or second stage is determined by subtracting the coverage for that stage from the coverage for the third stage and dividing the result by the base price for that class of beans.

Tell the producer who has signed an application that loss reports should be made to the county office in writing. Advise him that any material damage to the insured crop must be reported immediately after the damage occurs and that a loss must be reported immediately after harvest is completed. Caution him that damaged bean acreage must not be put to another use until it is released in writing by an adjuster and that he should request such release through the county office.

OTHER IMPORTANT POINTS

Term of Contract - The contract continues in force for each crop year until cancelled by the insured or by the Corporation. Either party may cancel the contract effective for any crop year on or before the cancellation date shown in the policy. The majority will want their bean crop investment protected every year so that they will have the protection if crop disaster strikes. With this contract it will not be necessary to make a new application each year in order to have Federal Crop Insurance protection. If changes are made in the contract the insured will be advised of these changes in advance of the cancellation date.

Collateral Assignment - The original insured may assign his right to any indemnity as collateral for a loan or other obligation by executing Form FCI-20, "Collateral Assignment", and filing it at the county office. A Federal Crop Insurance policy will make any producer a better credit risk since it may provide the necessary security to enable him to obtain financing. This feature can be stressed to good advantage as a selling point... from the standpoint of both the producer and the lending or credit institution.

Transfer of Interest - The transferee may have protection under the insured's contract if he executes a transfer of interest form at the county office within 15 days after the transfer occurs. The original insured continues to be liable for any premium due on the acreage and interest transferred if it is not paid by the transferee.

Hail Insurance - The amount of a Federal Crop Insurance indemnity will not be reduced because the farmer also carries hail insurance. Hail insurance

and Federal Crop Insurance are not competitive. Hail insurance covers only the one risk, while Federal Crop Insurance covers essentially all unavoidable risks.

FILLING OUT APPLICATION

PREPARATION OF FORM The applicant's name should be printed in the space provided at the top of the form exactly as it is signed. If you follow the very good practice of filling out the form before you urge the producer to sign, you will want to ask how he signs his business papers.

Enter the date of the applicant's signature in the space provided. You should sign as witness to the applicant's signature.

The following entries are to be made in the spaces provided in the heading of the application before it is signed by the applicant: (1) name of the insured crop, (2) first crop year of the contract and (3) type of insurance.

Enter in the box at the bottom of the application information as to the location of the farm(s) of the applicant or his headquarters and his telephone number if he has one. This information is for future use inservicing the contract and should be such that it will assist an adjuster in locating the farm(s) or the place where the applicant can be contacted. *This does not mean that the insurance is limited to these farms.*

SIGNATURES Applications should be signed with indelible pencil or ink and *must be handwritten*, not printed. Signatures should include at least one given name, and initial, if any, and the surname.

When a person signs in a representative capacity he must show (1) the name of the principal for whom he is acting, (2) his own signature, and (3) the capacity in which he signs.

Following are some examples of signatures correctly affixed:

1. *As an individual:*

- a. John T. Smith
- b. J. Thomas Smith
- c. Mary L. Smith

2. *As agent:*

- a. John T. Smith, by Henry O. Brown,
Agent
- b. Smith and Jones, a partnership, by
George E. Miles, Agent

3. *As member of partnership:*

- a. Smith and Jones, by John T. Smith,
a partner

The above types of signatures cover most cases. If you should obtain an application with a signature that you are doubtful about, call this to the attention of the county office. Should you need additional information regarding the correct manner of affixing a signature, you may obtain it at the county office.

YOUR SALES REPORT

You are required to make regular reports of contacts and sales to the county office on the form that they furnish you.

Information needed for your sales report includes (1) name of each person contacted, (2) date contacted, (3) if application is signed, the number of insurance units covered, and (4) if application is not signed, brief reasons why and whether you will re-contact him.

THE GREAT WALL

The Great Wall of China is one of the most famous and longest man-made structures in the world. It stretches for over 13,000 miles across the northern part of the country, protecting the Chinese Empire from invasions by nomadic peoples from the north.

The wall was built in several stages over centuries, with the most significant sections being constructed during the Ming Dynasty (1368-1644). The wall is made of brick and stone, and is surrounded by a deep moat. It is a symbol of Chinese civilization and a testament to the ingenuity and perseverance of the Chinese people.

The Great Wall is a UNESCO World Heritage Site, and it is one of the most popular tourist attractions in China. It is a must-see for anyone visiting the country.

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